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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with President of Russia (U)

PARTICIPANTS: The President
President Putin

Interpreter: Peter Afanasenko

Notetakers: Tina Yarmchuk, Dave Mathews,
Leslie Radcliff, and Ed Padinske

DATE, TIME March 27, 2002, 7:10 - 7:37 a.m., EST
AND PLACE: Oval Office

The President: Vladimir, good morning. (U)

President Putin: Good morning. (U)

The President: Listen, first of all, I wish you a great Easter holiday. Right after my conversation, I leave for the ranch, which will bring back many fond memories of our time there. (S)

President Putin: Thank you very much. First of all, I'm very glad to hear from you. We have nice recollections of our stay at the ranch. (S)

The President: Yes. (U)

President Putin: However, this time I'm not going to be too jealous because I'm at Lake Baikal in the mountains in Siberia,

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The President: Fantastic. Listen, I want to talk quickly about two things. First, I want you to know I believe we're making good progress on the issue of the offensive weapons. We listened closely to what Sergey Ivanov had to say. We talked internally about your concerns about the response force issue. Igor Ivanov and Colin will be meeting next week, and I believe we have made substantial progress, and we will continue to work hard to meet

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both of our needs, and I believe that we will end up with an agreement that will please both of us. I understand the difference between a virtual treaty and a real treaty. We will work hard to make sure it's real, not virtual. Secondly, we do have a problem on chickens. I hope you know about it. I urge you, friend, to find a way out on this issue. There is a memorandum of understanding that is being negotiated, and we've got to push hard to get that memorandum of understanding on chickens completed quickly so that we can pursue other items. This is not a quid pro quo, but I've got problems with my Congress, like you have in relations with your Duma. They're looking for an excuse for this not to go forward, and we've got to get this solved. This is a serious problem. It affects 38 states. We've got to get it resolved, to work hard to get it off the agenda. I know we can get it resolved if you work on your agricultural people to get this resolved quickly. I'll do what I have to on my side to get rid of this issue quickly. Our Congress comes back in nine days, and we have to work on a lot of other things for the Summit in Russia. And that's what I was calling about. (S)

President Putin: Regardless of the reason for this conversation, I am glad to hear your voice. (U)

The President: Thank you. (U)

President Putin: I am glad the situation in the United States is developing well, and your position has been strengthened. And I am in absolute agreement with your assessment of our work in the area of offensive arms. (S)

The President: Good. (U)

President Putin: We have meetings of experts on the way. Minister Ivanov will meet with Secretary Powell. Mr. Mamedov is meeting with experts, too. There is another meeting in Moscow. We hope that by your visit, we will have finalized the necessary documents. (S)

The President: Good. (U)

President Putin: Also, our cooperation in fighting terrorism is developing not badly at all. Our experts from special services and the procuracy have been to Guantanamo Bay in Cuba where the captives are being held. It turns out that good American professionals are working there. And they have good professional contacts with each other. I want you to know about this. (S)

The President: I'm very pleased as well. (U)

President Putin: As far as the Russian relationship with NATO, there is development in your position, and this is a good message. (X)

The President: Good. (U)

President Putin: Now about the second question you asked. I have to tell you that we are both miserable people. We have to deal with nuclear security, with terrorism, and poultry. Frankly, I haven't looked into this issue deeply yet myself because the government has been involved in this. I will divulge a great secret to you. The opinions in the government split right away. And our Minister of the Economy was very critical of the decision from the beginning, and they established contact. So far, U.S. and Russian experts met in Moscow. The last thing we want to do is to add political dimension to this issue. I'm generally aware of the situation. Our Minister of Agriculture is lobbying for the domestic producers of these products. However, a full ban on poultry imported from the United States will bring about a rise in market consumer prices, which is very bad for us. It is not in our interests to ban the imports of poultry. And in terms of the Ministry of Agriculture lobbying for, Russian agricultural producers, I am critical of the reasons they suggest. (X)

United States and Russian experts have drafted a protocol which included twelve items which the suppliers have to meet. And we have accepted most of them except two or three items. The first item has to do with fake certificates. United States experts claim there were no such fake documents, and at the same time, they reported that three criminal cases are being investigated in the United States itself about fake documents. Also, some certificates were issued for beef; however, the company was exporting poultry. And our veterinary doctors demand that the enterprises that have been reported as violating the regulations should be excluded from the supply list. The third condition is to install total veterinary control. In St. Petersburg, there are 298 containers that have been discovered to contain salmonella. And even experts from the Russian Government who were critical from the beginning, some of them came to me and told me this is inadmissible. They are critical of the situation now. However, this should not be used to add political damage to our trade relationship. Of course, attempts to do so have been made in error. Decisions that have been taken so far have been under the control of the Russian Prime Minister. And I am ready to request our experts to go to the United States to finalize and agree upon the issues that have not been agreed upon. (X)

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The President: That's very important. These details you and I can spend hours talking about. I wanted you to know this is a serious matter. It's causing me political problems, which means it's causing you political problems. Need to press our experts to solve it, if you don't mind, if you push hard, and I'll push hard and maybe we can do it. (S)

President Putin: Yes, however, I would like to ask you on your part to push your poultry producers. (S)

The President: We will. There is a Memorandum of Understanding that solves these problems. This is a political problem. The reason I'm calling is that I had to bring this to your level. I want to assure you this is a problem because it's Congress that has to vote on Jackson-Vanik. I know it's hard to understand. If you can get this Memorandum of Understanding complete, it will make my task easier so that I can have deliverables for you in Moscow. (S)

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President Putin: George, I would like you to understand me. It's a problem for me, too. Look, I don't know whether this poultry is contaminated or not, and our veterinarians say it is. It's been disseminated in the media, and if we send it to the markets tomorrow, the people will say we're trying to poison the population. (S)

The President: The question is how we get beyond this immediate problem of the current poultry (shipment); we can deal with future shipments, it seems to me. (S)

President Putin: For this reason, we should be accepted into the WTO. And Jackson-Vanik should be lifted. (S)

The President: We are with you on that. Listen, I've got to go. I've got to catch my plane. Have a great Easter, have fun skiing, and I will talk to you. (S)

President Putin: George, just one moment before you run away.
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The President: Okay. (U)

President Putin: The Jackson-Vanik Amendment has to do with Jews, not poultry. (S)

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The President: The problem is that I'm relying on Senators who vote that have chickens in their state. It's hard to understand, but it's pure American politics. (S)

President Putin: I have one question: not a question; some information. I didn't want to link these two problems, and I don't want our governments to link these problems. The United States has decided to limit the steel imports in violation of the 1990 agreement. In real terms, this will bring about the closing of several steel mills in Russia. Our Ministers of Economy are talking about this, and the U.S. Department of Trade has already made some concessions to us. (S)

The President: As I understand, roughly 80 percent of the steel is exempt from the measures, and I did that on purpose, Vladimir, to make sure we didn't affect your steel industry significantly. (S)

President Putin: The hot-rolled steel is very important for us. Another question has to do with your upcoming visit. We are preparing for your stay, and I want you to enjoy it. (S)

The President: I can't wait to go. (S)

President Putin: I really want you to enjoy the trip, and I want you to have a friendly, warm time. (S)

The President: Good, thanks. (U)

President Putin: You have already mentioned security. I would like you to stay overnight with us. We would be very happy about it. (S)

The President: Love to, we would be honored. (U)

President Putin: We are looking forward to it. We are really glad to receive you, and I would like to reciprocate your very human gesture when you invited me to the ranch. (S)

The President: Thank you very much. (U)

President Putin: We have two houses that are located close to each other. They are separated by a winter garden. One of the houses is a guest house with two bedrooms, and it is fully equipped. (S)

The President: That sounds fantastic. (S)

President Putin: We would be happy to see you and your spouse. (U)

The President: We look forward to that a lot. I think we'll have a good Summit. We'll get this chicken issue solved, and in the meantime, [REDACTED] (S)

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(President Putin: Thank you, George. (U)

The President: Thank you. Good-bye. (U)

President Putin: Good-bye. (U)

-- End of Conversation --

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